

A Study on “Challenges in Controlling Unit Cost of Higher Education in Kuvempu University”

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Abstract: Higher education is the most critical element in empowering the people with knowledge and skills, which in turn creates productive employment opportunities in future. As it provides an opportunity to specialize in a particular field, its role is very important for the well being of individual and the society, as a whole. The extent of access to higher education in India is limited. There is also a serious problem of quality education. While some of our institutions of higher education are the best in the world, the average standard is much lower. Disturbingly, the high quality institutions are finding it difficult to get the faculty of suitable quality, because of the enormous increase in the opportunities in the corporate sector where many of the skills are most in demand. Only about 8% of the relevant age group enrolls in universities in India where as in many developing countries, the figure is between 20% to 25%. The main reason for low enrolment ratio of higher education is increase in real cost of higher education per student. This cost increase is not affordable by the candidates due to their economic backwardness. The students of lower and middle class families are not able to pay fee based on Unit Cost.

With this perspective, the present paper attempts to address the problem of Unit Cost and its Control for higher educational institutions in Kuvempu University. The study carried out with the help of Secondary sources of data, brought to light various reasons for increasing Cost of educating a student in the higher educational institutions of Kuvempu University. The study identifies the higher unit cost of education in Kuvempu University.

Key words: Enrollmet ratio, Higher Education, Unit Cost,

I. Introduction

Higher education provides potential in the most desirable form to young people in order to take up position in their real life. It is supposed to be a platform to develop oneself for a respectable position in the society.

The needs of higher education system have been growing rapidly. In India, it is being increasingly realized that public budget cannot adequately fund higher education, particularly when sectors of mass education are starved of even bare needs. A decadal experience with clear compression in the higher education budget. Indeed, the decline in plan allocations had started even prior to economic reforms. Hence, the need for experimentation with several alternatives such as student fees, student loans, and privatization is intensified.

Though the enrolment has been increasing in absolute terms, only 7% of the population in the age group of 17 to 24 enroll in higher educational institutions of India, as against 92% of the eligible age-group population attending higher educational institutions in USA, 52% percent in UK and 45% in Japan.

Universities are funded by University Grants Commission, State and Central Governments. The funds are becoming inadequate for their sustained maintenance. And also the provision for higher educational facilities are more expensive than at other levels of education. Therefore, it is difficult to afford the tuition fee by the students of middle and low income families.

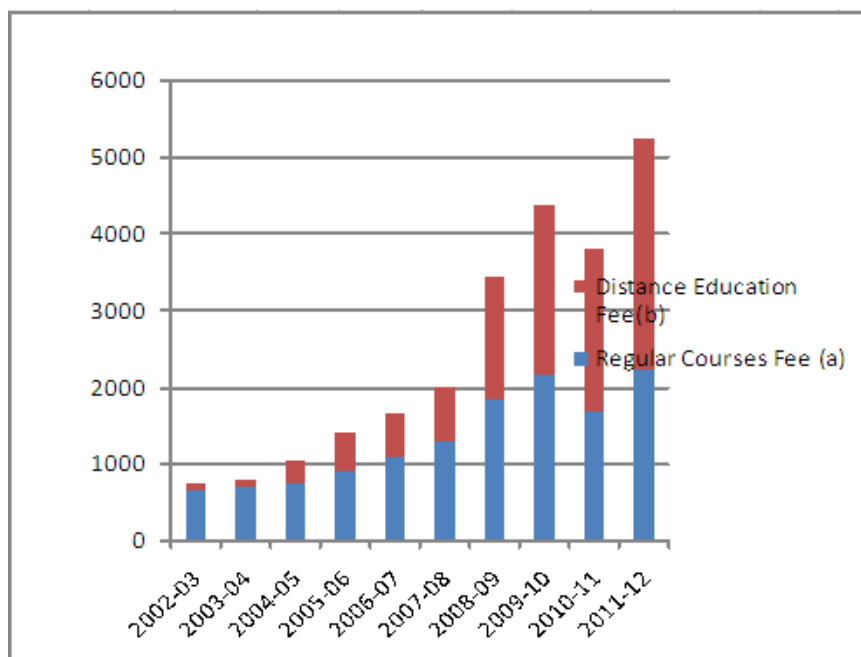
Kuvempu University is one of the young affiliating University in Karnataka. It covers the jurisdiction of two districts viz., Shimoga and Chickmagalur. This University located in Malnad region mainly comprises the students from rural low and middle class categories. This university mainly meets the higher educational needs of regional rural students.

The educational upliftment process is going on in two districts of the University. The education in Kuvempu University as compared to other Universities is still a long way to go. The higher educational institutions in Kuvempu University is limited and entire population depends on few available higher educational institutions within its jurisdiction. The Cost incurred by an institute for graduating a student is unstable and largely high. The institutions calculate Unit cost by considering factors such as infrastructural cost, teaching staff salary, non-teaching staff salary, and development expenditure.

The following table showing the fee collected by Kuvempu University for the period of 2002-03 to 2011-12.

Table No. 1

Year	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Regular Courses Fee (a)	654.39	705.96	766.75	924.05	1120.8	1300	1843	2170	1710	2250
Distance Education Fee(b)	100	100	288	500	555	717	1600	2200	2100	3000
Total Fee (a+b)	754.39	805.96	1054.8	1424.1	1675.8	2017	3443	4370	3810	5250
% of change in Fee		6.836	30.869	35.013	17.675	20.38	70.669	26.924	-12.81	37.795



It can be observed from the above table that the rate of increase in the cost of Higher Education in Kuvempu University is not in par with the rate of inflation prevailing during the said period. This is may be because of decrease in the allocation of public budget, increases in developmental costs, and lack of implementing effective Cost control. This necessitates the study on challenges in controlling Unit Cost of Higher Education in Kuvempu University.

Unit Cost measurement with its determining factors in Kuvempu University is not only a challenge but a move towards dark without any route further on. The findings of the study indicated that Developmental Costs and Salary and Academic expenses accounts more share out of total expenditure incurred by Kuvempu University.

1.1 Review of Literature

The financing of higher education is a matter of great theoretical and empirical debate. The nature, extent and mode of participation of public funds in the education sector involve a long list of arguments put forward by individual scholars and institutions. These arguments mainly revolve around the nature of higher education, dynamic externalities produced by it, its role in achieving equality of opportunities and economies of scale (Blaug and Woodhall 1979; OECD 1990; Tilak 1993,1997)

Many research studies show that, the benefits of higher education are largely appropriated by the students belonging to the upper and middle income groups. Thus, the benefits of grants/subsidies are largely cornered to the above income groups. Such a policy is bound to be perpetuating educational inequalities in the society. (Pascharopoulos 1994; World Bank 1994; Psacharopoulos 1997; World Bank 2000)

However, the debate of increasing grants/subsidies on one hand and no subsidies/grants to higher education on the other hand, has been intensified recently (Henchiffe 1993).

In the absence of grants/subsidies it is difficult to run the higher educational institutions, as it requires huge facilities. Therefore, costs and financing practices have attained a great deal of attention of policy makers

and academia. Keeping in view, the present paper tries to address the problem of Unit Cost and its Control for higher educational institutions in Kuvempu University.

1.2 Statement of the Problem and Need for the Study

Since the Higher education requires huge finances to establish and run the infrastructural facilities, costs and financing practices have attained a great deal of attention of policy makers and academia. The main reason for low enrolment ratio of higher education is increase in real cost of higher education per student. This cost disease is not affordable by the candidates due to economic backwardness. Thus, cost of education has attracted researchers' attention also. Keeping in view, the higher cost of higher education and financing practices adopted by the Universities, present paper attempts to evaluate the problem of Unit Cost Control for graduating educational institutes in Kuvempu University, brought to light various causes and reasons for increasing Cost of educating a student in the institutes of Kuvempu University. By considering the above problem, the University Management has to fix the tuition fee which must recover the costs incurred and also affordable to all groups of candidates. This necessitates to evaluate the problem of Unit Cost Control for graduating educational institutes in Kuvempu University.

1.3 Objectives of the Study

- To analyze the different expenditures incurred in Kuvempu University
- To understand the variations in different Expenditures incurred in Kuvempu University over a period of ten years
- To identify the main causes for variations in Expenditures incurred in Kuvempu University
- To test the hypothesis that, developmental and academic expenses (including salary) are enhanced the Cost of Higher Education and
- To suggest feasible methods to control the increase in Unit Cost of Education in the University.

1.4 Sources of Data

The Research Work is mainly based on secondary data. The secondary data is gathered from the books and records of various colleges in the University for conducting the Research work. The investigator personally visited the colleges to gather data for verification of records in the respective colleges. Data has also collected from sources such as books, earlier works in the related field, journals, newspapers, reports, proceedings of seminars, workshops, e-sources.

1.5 Methodology

The method of analysis followed for this study is purely analytical. With the help of available data, collected costs are analyzed. A number of statistical tools such as statistical tables, averages, percentages, diagrams, charts, measures of central tendency like arithmetic mean graphs etc. are used for analysis of the data and to establish cause and effect relationship.

1.6 Scope of the Study

The data gathered is extensively used in presenting this paper. Some students studying in different colleges under Kuvempu University are of the opinion that the fee charged to them is heavier and not affordable to them. Here, the researcher has observed that, students to hails from poor economic background look fee structure from their point of view only. And, hence, their argument is not justifiable.

1.7 Limitations of the Study

The study is subjected to few limitations as listed below:

- Except Kuvempu University's, no other University is considered for study purpose.
- The study is based on data provided by the University .
- The period under study is only for ten years.

II. Controlling of Cost of Higher Education in Kuvempu University

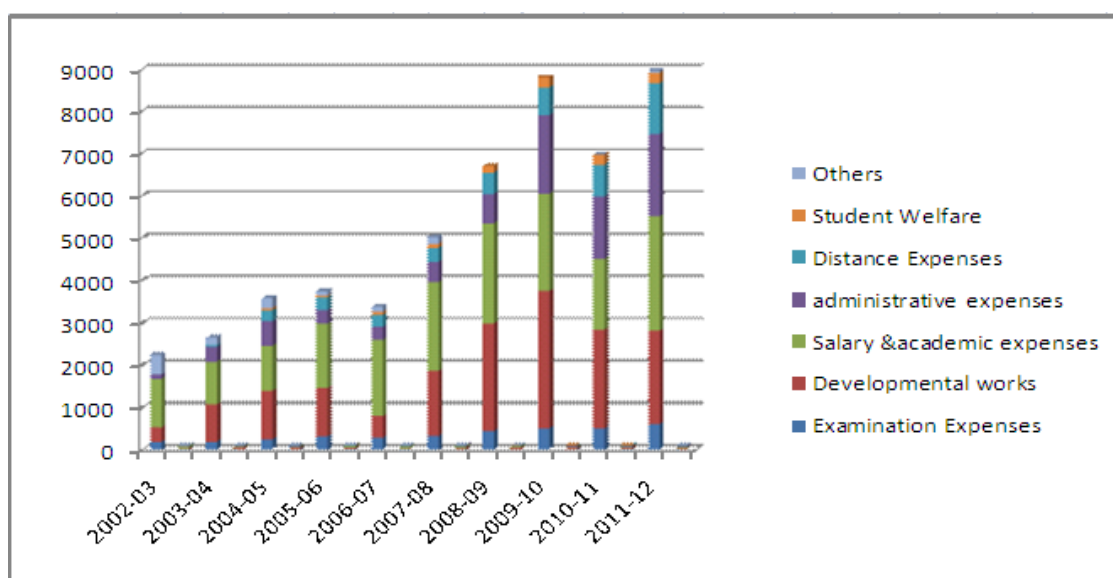
Universities are funded by University Grants Commission, State and Central Governments. The funds are becoming inadequate for their sustained maintenance. And also the provision for higher educational facilities are more expensive than at other levels of education. In order to upgrade the infrastructural facilities available, and also, to add more number of new courses to meet the demands of learning group the Kuvempu University has taken up newer projects like construction of classrooms, laboratory buildings, hostel buildings etc. All these involves heavy capital expenditure. Needless to state that, the huge investment in said form had added more the Unit Cost of Education of Kuvempu University under study. Therefore, it is difficult to afford the tuition fee by

the students of middle and low income families. By analyzing the different types of expenditures incurred by the Kuvempu University, it can be possible to find out the areas under which cost control techniques can be applied to control the Unit cost of Higher Education in Kuvempu University.

The following table showing the different types Expenditure in Kuvempu University for the period of 2002-03 to 2011-12

Table No. 2

Sl. No	Expenditures	2002-03	% of Tot	2003-04	% of Tot	2004-05	% of Tot	2006-07	% of Tot	2007-08	% of Tot	2008-09	% of Tot	2009-10	% of Tot	2010-11	% of Tot	2011-12	% of Tot		
1	Developmental works	343.85	15.4	889.2	33.62	1180.2	32	1180	30.7	514	15.2	1541.1	30.7	2539.37	37.9	3249.18	36.9	2337.6	33.5	2217.54	24.74
2	Salary & academic expenses	1146.19	51.2	1002.9	37.92	1060.34	30	1517.2	40.5	1797.46	53.2	2100.67	41.8	2369.55	35.3	2304.37	26.2	1667.3	23.9	2702.42	30.14
3	administrative expenses	107.84	4.82	359.2	13.43	886.11	18	329.95	8.31	311.3	9.21	476.89	9.49	692.66	10.3	1854.28	21	1481.1	21.2	1947.62	21.72
4	Examination Expenses	180	8.04	180	6.808	240.06	6.7	308.82	8.19	280	8.28	320	6.37	440	6.66	500	5.68	500	7.16	600	6.693
5	Distance Expenses	0	0	48	1.701	266.98	7.2	297.08	7.93	287.6	8.5	330	6.67	500	7.48	660	7.38	750	10.7	1200	13.39
6	Student Welfare	0	0	0	0	49.03	1.4	39.95	0.98	70.2	2.08	90.6	1.8	169.65	2.48	251.58	2.88	245.87	3.52	247.59	2.762
7	Others	480.84	20.8	172.49	6.522	243.98	6.8	110.05	2.84	100.22	3.68	162.83	3.24	0	0	0	0	0	0	50	0.558
	Total	2238.72	100	2644.79	100	3586.7	100	3746.9	100	3380.68	100	5021.99	100	6708.23	100	8809.41	100	6961.9	100	8965.17	100



2.1 Analysis:

- In the year 2002-03, out of total expenditure, Salary and academic expenses having more share, accounted to about 50% i.e. half of the total expenditure. Remaining expenditures such as Developmental costs, Administrative expenses, Examination expenses and others accounted to 15%, 4.8%, 8%, and 21% respectively.
- In the year 2003-04, Developmental costs, Salary and academic expenses, Administrative expenses, Examination expenses, Distance expenses and others accounted to 34%, 38%, 13%, 6.8%, 1.7% and 6.5% respectively.
- In the year 2004-05, Developmental costs, Salary and academic expenses, Administrative expenses, Examination expenses, Distance expenses, Student Welfare expenditure and others accounted to 32%, 30%, 16%, 6.7%, 7.2%, 1.4%, and 6.8% respectively.
- In the year 2005-06, Developmental costs, Salary and academic expenses, Administrative expenses, Examination expenses, Distance expenses, Student Welfare expenditure and others accounted to 31%, 40%, 8.8%, 8.2%, 7.9% 1% and 2.9% respectively.
- In the year 2006-07, Developmental costs, Salary and academic expenses, Administrative expenses, Examination expenses, Distance expenses, Student Welfare expenditure and others accounted to 15%, 53%, 9.2%, 8.3%, 8.5%, 2.1% and 3.6% respectively.
- In the year 2007-08, Developmental costs, Salary and academic expenses, Administrative expenses, Examination expenses, Distance expenses, Student Welfare expenditure and others accounted to 31%, 42%, 9.5%, 6.4%, 6.6%, 1.8% and 3.2% respectively.

- In the year 2008-09, Developmental costs, Salary and academic expenses, Administrative expenses, Examination expenses, Distance expenses, Student and Welfare expenditure accounted to 38%, 35%, 10%, 7%, 7% and 2% respectively.
- In the year 2009-10, Developmental costs, Salary and academic expenses, Administrative expenses, Administrative expenses, Examination expenses, Distance expenses, and Student Welfare expenditure accounted to 37%, 26%, 21%, 5.7%, 7.4%, and 2.9% respectively.
- In the year 2010-11, Developmental costs, Salary and academic expenses, Administrative expenses, Administrative expenses, Examination expenses, Distance expenses, and Student Welfare expenditure accounted to 33%, 24%, 21%, 7%, 11%, and 4% respectively.
- In the year 2011-12, Developmental costs, Salary and academic expenses, Administrative expenses, Administrative expenses, Examination expenses, Distance expenses, and Student Welfare expenditure accounted to 24.7%, 30.1%, 21.7%, 6.69%, 13.4%, 2.76%, and 56% respectively.
- Developmental costs which is drastically increased to 36.2% from 15.6% for the 2002-03 to 2003-04, in the year 2004-05 and 2005-06 on or average constant i.e. 30%, decreases to 15% in 2006-07 and again on or average constant for further years i.e. 36%.
- Salary and Academic Expenses having more share out of total expenditure in all years, accounted to on or average 40%.
- Administrative expenses is more or less fluctuating in almost all the years.
- Examination expenses is on or average 8% - 9% of expenditure incurred out of total expenditure.
- Distance Education expenses, Student welfare expenses and other expenditures keep on increases meagerly.

2.3 Interpretation

- Being Kuvempu University is a young University in Karnataka, established in 1978, it has undertaken much developmental works such as construction of classrooms, laboratory buildings, hostel buildings etc. All these involves heavy capital expenditure developmental works which add more Cost of Higher Education.
- To retain and attract more talented and productive people University has incurred almost half of the total expenditure to Salary and academic expenses.
- Distance Education is constantly increasing because of expanding the scope of Distance Education by area and different course lines.
- Rate of increases in the administrative expenses, student welfare expenses etc., is not in par with the rate of inflation prevailing during the said period.

III. Findings and Suggestions

- It can be found that, the Cost incurred for development and salary and academic expenses is must for providing facilities to the students. The only means to cut-off unit cost is by increasing number of students i.e., teacher and student ratio.
- As per the census 2011, the region under study comes under economically backward section. It is because majority of households in this region are engaged in agricultural activities. These are fully depending up on natural factors. Needless to point out that agriculture more or less generally suffers from vagarious of monsoon. Hence, the benefit derived from agriculture in one year is driven away by suffering from other periods. As such whole region suffers from economic backwardness. The region is economically poor. So, most of the students had to put emphasis on earning and learning.
- Cost controlling techniques to be applied to control the Cost of Higher Education.
- The University has to find out the various sources of funds. But, it is a difficult task, it is to be worked out.

In addition to the above, the Researcher offers the following suggestions also:

- ✓ Quality based education should be encouraged.
- ✓ In addition to the regular curriculum, students must be provided special training to the uplift them to the level of students of advanced region.
- ✓ Training to staff must be conducted to understand the students better.
- ✓ In order to make the class a learner centered, necessary change in teaching method need to be adopted.
- ✓ To accommodate interested students, in the Higher Education the existing institutions are not capable enough. Hence, there is a urgent need of starting more number of colleges in the region.
- ✓ In order to make the teaching more effective, modern tools must be provided in the classes.

In carrying out the requirements suggested above, involves much investment. Onfulfilling all these requirements an increased intake to the university can certainly be see. Hence, the overall cost can be controlled. The study so undertaken is just a step to point out to real picture of Kuvempu University, increasing cost of educating

student. The above suggestion can be a step that can be taken by government as well as the administrative body to control the Unit cost of Higher Education in Kuvempu University.

IV. Conclusion

No doubt, Kuvempu University need to show, a higher growth rate in all respects, the present growth rate is not satisfactory. To meet the requirement of local/rural poor community. The Higher education needs to be provided at a lower cost. In doing so, University needs to bare with increased cost. The source of revenue being limited. Make the University to go in search of funds. With the help of government provision of modern education would attract more number of standards and thus would be able to meet the said objective.

For better performance of higher education system needed to be developed as because the weak categories of student turnover towards college cannot be expected to bring out the result in Higher Education. On the part of all people engaged in Higher Educational Programme in Kuvempu University, it became compulsory to think innovatively to create an atmosphere of learning in among student. Along with all the step possible to be taken for student development management of institute must be efficient enough to utilize the resources without wastage. Problem of dropout or disturbance can be seen in among the student continuing in Higher Education for financial crisis or for lack of security after study. Immediate steps to secure them needed to be taken by government to prepare the student mentally to get successful in Higher Education.

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